


NOTES ON PROPOSALS OF THE CABINET COMMITTEE  
ON FEDERAL STAFF RETIREMENT SYSTEMS

| <u>Proposal<br/>Number</u> | <u>Notes</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1                          | No direct impact on Civil Service or CIA Retirement Systems.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 2                          | No direct impact on CSC or CIA Retirement Systems -- both already provide for post-retirement adjustment of benefits.                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 3                          | We should initiate an amendment to the CIA Retirement Act to incorporate proposals 3a and 3b. Proposal 3c is a proposal of general application to the Federal service; no Agency action required.                                                                                                                                                                                                                                                                                                                                                                 |
| 4                          | No direct impact on CIA Retirement System. Would narrow the difference between the Agency's retirement age under Civil Service and the statutory age for mandatory retirement.                                                                                                                                                                                                                                                                                                                                                                                    |
| 5                          | No direct impact on CIA Retirement System since it is applicable only to earnings after 65, our highest mandatory retirement age, and the liberalized formula for computing annuity is still less than the CIAR formula. Would provide improved annuity for our CSR retirees; and, since most of our CSR retirees are under age 65, the provision for excluding earnings after that age in annuity computation would have little impact.                                                                                                                          |
| 6                          | No direct impact on CIA Retirement System. Would give the Agency an involuntary retirement authority for CSR employees in GS-13 and higher grades.                                                                                                                                                                                                                                                                                                                                                                                                                |
| 7                          | Should be discussed in relation to CIAR. In a few cases -- those in which an annuitant is reemployed in a grade higher than he held at retirement -- the proposed CSR provision would be more generous than the present FSR provision which we are seeking to include in the CIAR system. We believe that in most cases, the FSR provision is more advantageous. However, we need to weigh our chances of getting the FSR provision, which was taken out of our original bill by the Senate Committee, against our chances of getting the improved CSR provision. |
| 8                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 9                          | Does not apply to CIA.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 10                         | Does not apply to CIA.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 11                         | Does not apply to CIAR; no impact on CSR for Agency employees.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 12                         | Does not require action.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

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13 A

Benefits for Student Children: We should seek similar provision for CIAR.

Benefits for Surviving Spouse who Remarries: We should seek similar provision for CIAR.

Life Insurance: No direct impact on retirement systems; desirable amendment of FEGLI program. No Agency action required.

Merger of Retirement Systems: Requires no action now but we must consider what our response will be when question is presented.

Earlier Separation of Disability Retirees: Desirable from administrative point of view; of slight disadvantage to employee (who will not earn leave on leave). Believe similar provision should be made in CIAR to keep in step with both CSR and FSR.

Leave System: Not applicable to retirement; no Agency action required.

Optional vs Disability Retirement: Believe similar provision should be made in CIAR to keep in step with both CSR and FSR.

Tax Treatment of Retirement Benefits: No Agency action required.

Voluntary Contributions: Believe similar provision should be made in CIAR.

Deposits and Redeposits: Believe similar provision should be made in CIAR.

13 B

Guaranteed Minimum Survivor Annuity: A similar provision, based on FSR, was taken out of our original bill. Believe we should request again.

Earlier Termination of Disability Annuities: This is more liberal than the present CIAR provision which requires termination of annuity six months after recovery. Believe we should seek provision comparable to CSR proposal.

Reinstatement of Other Benefits Upon Restoration of Disability: Believe we should seek for CIAR.

Dependency Requirement for Children: Believe similar provision should be made in CIAR.

CSR Credit for State Employment: No action required.

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Wartime Service of Foreign Service Local Employees: Not applicable.

National Guard Technicians: Not applicable.

13 C Maximum Annuity: Believe similar provision should be made in CIAR.

Survivorship Provisions: CIAR already contains these provisions.

Annuity Adjustments: Similar provision has already been requested for CIAR.

13 D Applicable to Military Retirement System only.